



**City Council
Special Meeting
Agenda
2/27/06**

Call to Order

- Pledge of Allegiance
- Invocation
- Welcome Guests and Visitors

Annexation (discussion)

1. Overview (Ann Bailie)

The primary purpose of today's meeting is to discuss annexation in general, with the ultimate goal of providing direction to the staff in developing annexation guidelines and policies. The city has received inquiries regarding two types of annexations – voluntary and satellite.

a. Involuntary

Statutory standards of contiguity and intensity of development must be met. Property owners in newly (involuntarily) annexed areas may petition the LGC for the abatement of property taxes if the municipality does not provide police, fire, solid waste, or street maintenance services on substantially the same basis as in the rest of the municipality within 60 days after the effective date of annexation. Trinity may not be eligible to pursue involuntary annexations because the city provides too few services.

b. Voluntary (contiguous)

I. An area is deemed "contiguous" if, at the time the petition is submitted, such area either abuts directly on the municipal boundary or is separated from the municipal boundary by man made or natural divisions (exp. Streets or rivers).

c. Satellite (non-contiguous)

I. City may consider satellite annexations upon petition of all owners of real property in the area. Standards to be met: 1) The nearest point on the satellite area must not be more than three (3) miles from the primary limits of the annexing municipality; 2) No point on the satellite area may be closer to the primary limits of another municipality than to the primary limits of the annexing municipality; 3) the area proposed for annexation must be situated so that the municipality will be able to provide the same services within the satellite area that it provides within the primary limits; and 4) if the area proposed for annexation, or any portion thereof, is a subdivision, all the subdivision must be included; and 5) the area within the proposed satellite limits may not exceed 10% of the total land area within the primary corporate limits of the city.

II. A city is permitted to establish a different, higher utility rate structure for its satellite areas than that established for properties within the primary city limits.

d. Procedure for voluntary annexations (essentially the same for voluntary contiguous and satellite annexations)

- I. Property owners present a petition to the city asking for annexation
- II. City clerk investigates sufficiency of the petition and certifies its sufficiency to the Council
- III. Council calls a public hearing on the proposed annexation
- IV. At the hearing, the public comments on the desirability of the annexation
- V. After the public hearing, Council adopts an ordinance annexing the property included in the petition.

2. Under what conditions might the City consider annexing property?

Trinity is not required to approve annexation requests. The extension of city sewer wields considerable leverage in directing the type of development the city might be willing to annex. The city needs growth to help pay for the sewer system. Growth factors are included in the financial projections demonstrating the city's ability to pay for the expanding system.

Considerations in annexing property (open discussion)

- Financial return on investment (Randy McNeill)
- Quality of life (Ann)
- Commitment to existing residents

Economic Develop (closed session)

3. Closed session pursuant to NCGS 143-318.11 (4) to discuss matters relating to the expansion of a business.



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The Trinity City Council held a Special Called Meeting on Monday, February 27, 2006 at Trinity City Hall at 5:00 p.m.

MEMBERS PRESENT: Mayor Frances Andrews, Council members Karen Bridges, Phil Brown, Bob Labonte, Barry Lambeth, Dwight Meredith, Edith Reddick, and Miles Talbert.

Council member Ewings arrived at 5:10 pm.

MEMBERS ABSENT: None

OTHERS PRESENT: City Manager Ann Bailie; City Attorney, Bob Wilhoit; City Clerk/FO, Debbie Hinson; City Engineer Randy McNeill; City Planning Administrator and Code Enforcement Officer, Adam Stumb; Members of the Press; and other interested parties.

ITEM 1. CALL TO ORDER

Mayor Andrews called the February 27, 2006 Special Meeting of the Trinity City Council to order at 5:00 pm.

Pledge of Allegiance

Mayor Andrews led the Pledge of Allegiance.

Invocation

The invocation was given by Council member Lambeth.

Welcome Guest and Visitors

Mayor Andrews welcomed and thanked all persons in attendance and for their interest in the City. At this time Mayor Andrews turned the discussion over to Manager Bailie.

Manager Bailie reviewed the three (3) types of annexation with Council as defined below.

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II. A city is permitted to establish a different, higher utility rate structure for its satellite areas than that established for properties within the primary city limits.

Today’s meeting is to discuss annexation with the ultimate goal of providing staff with direction in developing guidelines and policies. We need to discuss under what kind of conditions you would be interested in annexing property and when you would not be interested.

Manager Bailie and Council members discussed the two (2) types of annexation Voluntary and Satellite that Trinity might consider. Manager Bailie advised Council that there had been one (1) inquiry for each type. There was discussion concerning the Satellite annexation of the school. Manager Bailie advised members that if this type of annexation did come to the city for consideration staff would probably send letters to other property owners to see if they would like to be annexed as well. The school property is not abutting our corporate limits. There was discussion concerning the sewer that the school would like for the city to provide. Manager Bailie advised Council that no one had asked that the City pay for this service. Council members discussed their feelings on how they would be willing to proceed and stated they did not feel that the City should stop current projects or invest money to provide sewer service to this address, however if the school would pay to get the service to the city they would entertain the thought of annexation.

Attorney Wilhoit discussed how negotiations sometimes occurred between municipalities and school systems. There are times when the city will negotiate upsizing the lines and cost if it can be beneficial to the City at the present time or to promote future growth.

Manager Bailie continued by reviewing the next item.

d. Procedure for voluntary annexations (essentially the same for voluntary contiguous and satellite annexations)

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2. Under What Conditions Might The City Consider Annexing Property?

Trinity is not required to approve annexation requests. The extension of city sewer wields considerable leverage in directing the type of development the city might be willing to annex. The city needs growth to help pay for the sewer system. Growth factors are included in the financial projections demonstrating the city’s ability to pay for the expanding system.

You have the ability to control the type of development outside the city limits because you do not have to extend the lines, but on the other hand we need the growth.

Considerations in annexing property (open discussion)

- Financial return on investment (Randy McNeill)

- Quality of life (Ann)
- Commitment to existing residents

Manager Bailie turned the discussion over to Mr. McNeill concerning the financial return on investment.

Mr. McNeill advised Council that most municipalities considering annexation perform some type of cost benefit ratio that defines what the City will gain, what the citizens already in the corporate limits will receive and what the citizens in the proposed annexation receive. There is a way to calculate what the cost is for the city to serve additional customers if any and then what type of revenues it may generate. If Trinity increases residential development the population increases. If it were a significant development it could mean an increase in the sales tax reimbursements. It would help generate increased revenues on any money received by the City that is based on population. It will also increase the capacity fee revenue and would help the City make payments on incurred debt to the City of Thomasville. The last thing that could be considered is the ongoing consumption of water and disposal of wastewater and sewer. All of these items would be evaluated over a time frame and could help Council make a decision on annexation. After the information was compiled Council may consider annexation if the money expended could be recouped in 5 years, 10 years, or if the proposed project was large enough Council may consider a longer time. Some municipalities require that the developer insert time limits on repayment on large developments. All projects will have to be evaluated. The first question to answer is are you interested in annexation and if you are, providing staff with guidelines.

Council members asked if the cost to hook up the school had been determined.

Mr. McNeill stated that 4 options had been developed for the school. The basic option was a minimum requirement needed for the school. Because of the elevation difference between the location of the school in comparison to Trinity, the distance in length dictated some minimums that the school must complete. The minimums required are really more than they need but they must be done to physically make the project work. The minimum system that can be installed for the school is a 6" forcemain. It would be 3 miles in length and there would be a pump station on the school property making the cost of this project \$1,090,000.00.

Another scenario that we investigated was to move the pump station further down so that it not only served the High School building and the football field but also served all of their downhill facilities such as baseball fields and also served more of the property of the proposed seller of the property. It is my understanding that he will sell the property to the school at one rate if he receives benefit of the sewer and another rate if he does not. The property owner desires to have sewer service available to the remainder of his property. The total acreage at this location is 500+ acres and the school is currently looking at the possibly purchasing 140 acres.

The most costly option puts the pump station lower on the ground and has larger forcemain all the way. It would serve all of the school property and serve more of the seller's site as well as providing service to a small amount of land outside of the current property. The cost of this project is 1.54 million.

In reviewing all of the different options there are some which could benefit the City in the future and the City might choose to participate in paying now to save some money in the future. The developer would also have to put money into the project as well to get the service he needs.

Mr. McNeill used a map to illustrate the location of the proposed school and Finch Farm Road. The sewer would need to be extended from there to the Sherwood Forest area where we already have sewer installed. In the future the City of Trinity will need to install a pump station on the west side of Finch Farm Road to serve the Steeplegate Subdivision, Wheatmore Farm area, and any other property that is inside the city limits. One option would be to look at upsizing the forcemain from 6 inch to an 8" at a cost of \$43,000 to \$44,000 dollars. The City could consider contribution to this to upsize the one line. This eliminates the City bearing all of the cost to install this line in the future. It essentially would give you \$200,000.00 of forcemain for \$43,000.00.

The property owner has indicated that he is only interested in the 4th option and the school is interested in the 1st option.

There was discussion concerning the use of Bond Money and if that would be allowed. Manager Bailie stated she felt this would be up to the Council but it was her feeling that Council would not want to spend money from the Bond

Referendum on this project. Mr. McNeill advised Council that the Rural Development would not participate in this type of project therefore it could not become a part of the Bond Project.

There was further discussion concerning the need of the school (6") verses the need of the developer (8"). We are discussing the difference of initial permitting (Option 1) to serve school and approximately 245 homes and (Option 4) to serve school and 470 homes.

Council discussed the commitment of the developer and if he wanted the homes annexed into the City Limits or was only the school requesting annexation. Manager Bailie advised Council the property owner was leaning toward asking for annexation for the entire property, but no decision has been made at this time. There was further discussion concerning any form of monetary commitment from the developer. Manager Bailie advised Council that the owner had the costs of the 4 Options reviewed by Mr. McNeill, but no allocation of those costs have been done at this time. He is still in the negotiating process with the school.

Attorney Wilhoit discussed the requirement of annexation into the corporate limits by some municipalities from the person requesting services. In order to be considered they must agree to be annexed into the City. Manager Bailie and Mr. McNeill discussed the difference in city standards and county standards as well as the advantage of double outside sewer rates verses annexation. If this property is developed under County Standards they will not allow as much density, they will probably allow Ribbon Street paving with side ditches, where if this were annexed city standards of curb and gutter as well as any other city requirements would be applied to the development.

There was further discussion concerning the different properties that could be serviced with both Option 1 and Option 4. In Option 4 the sewer that reaches outside of this property could serve a portion of Gaddy Place. Manager Bailie stated this was not inside the City Limits.

Council member Meredith asked if this property fronted Finch Farm. Manager Bailie advised members the property did front Finch Farm but there was discussion about providing access to the school from both Finch Farm Road and Kennedy Road. Mr. McNeill advised members that it had not been determined if the small road that ran off of Kennedy Road was private or state maintained. Schools like to have 2 entrances/exits. NCDOT will contribute money to the schools for the roads traveled by buses but not to roads driven on by cars. This is still being evaluated by the schools.

Mr. McNeill discussed the revenue issues of the school project. If the City wished to they could invest the 40,000+ in this project. The capacity fee charged by the City to the school (1,000) capacity will bring in \$45,000.00 in capacity fee. If you prorate this over 10 years the annual revenue received would be approximately \$4,500.00 per year. The water used verses the treatment costs would generate approximately \$5,000.00 annually in revenue. This would equate to approximately \$10,000.00 annually in revenue from the school. If homes are added the number increases rather quickly. 100 homes would generate \$100,000.00 in capacity fees and also brings in \$15,000 to \$20,000 annual consumption revenue. 250 homes would generate \$250,000.00 in capacity fees and also brings in \$40,000 to \$50,000 annual consumption revenue. There is a return on any investment made by the City and you would be fortunate that the investment would be small if you choose to consider this option.

There was further discussion concerning the amount that the County would pay to connect the line as well as the cost that the developer would incur if Option 4 is chosen. Mr. McNeill stated that in all cases he would add a potential for Trinity to participate or not since Trinity is receiving a benefit out of the last 7,000 foot of 8" forcemain that only needs to be 6" to meet the school needs. Council members discussed the need to determine how the upgrade of the pipe benefited the city and what it was worth. It will be put in if the County purchases the property for the school and the city should only consider the upgrade costs. Mr. McNeill advised Council that this would save the City over \$200,000 in the future.

There was discussion between Council members and Mr. McNeill concerning the projected use by the school. Mr. McNeill stated the permitted use was 15,000 gallons per day but the actual use will be more like 7,000 gallons per day.

There was further discussion concerning the desire to help promote the new school, however this project must be beneficial and mutual to the city as well. Also expressed was the desire not to delay sewer to residents because the City chose to assist the school. What the City does to assist the school will be above what we have already committed to.

After further discussion concerning the benefits that might be realized verses the costs to upsize the pipe it was the consensus that Council would review all options as long as it did not affect any projects currently underway and that someone else pick up the additional \$43,000 cost for upsizing.

Discussion continued with the next proposal.

Manager Bailie discussed conversation that had been shared with her concerning this proposal. They are considering residential development. The Council has the power to decide what type of development you want in the City. Manager Bailie discussed the handout that discussed the statistics of the Trinity residents, specifically housing prices in the city. The information illustrates the values of owner occupied houses. As you can see 39.2% of the housing in Trinity is valued between \$50,000 and \$99,000, and almost 30% is 100,000 to \$149,000. This illustrates that almost 50% of our housing is valued at less than 100,000. The next handout discusses concerns of residents in University City. They are concerned that existing home values are decreasing because of the proliferation of cheaper housing. I feel information such as this is important when Council considers the type of development you would like to see in the City. Another handout passed out by Manager Bailie was information on a development that was going on in Graham. This tract is approximately 207 acres and consist of mixed use. There is approximately 5 to 10 percent of the project reserved for retail and commercial development. There is 40 to 50 acres set aside for recreation and greenways and housing prices range from \$150,000 to \$600,000. This development will have a club house and swimming pool. This is a very nice development. The last item handed out was a new item from the Greensboro News and Record concerning the growing pains being experienced by eastern Guilford County.

Manager Bailie asked Council for their feelings concerning development outside of the school for property for other properties that might be currently located outside the city. Are we going to take in anything, are we going to set any standards other than our existing zoning standards, where does the City stand on this.

Council members asked if the developer had shared any information concerning possible development. Manager Bailie advised Council that during discussion the developer originally stated his plans were to develop using mixed uses. I advised the developer that mixed use often included commercial development and asked if they were talking about commercial development, because commercial development could be considered a service to both new and existing residents. They advised me that they were looking at mixed uses in housing only to include single family homes and townhomes.

Mayor Andrews discussed her conversation concerning the pricing of the homes in this development. Mayor Andrews stated that she advised the proposed developer that she felt the price range should be \$200,000 and above. The developer stated his plans were for \$200,000 give or take \$75,000.

Manager Bailie discussed the website for this homebuilder that she had visited and their listings start at about \$130,000 with their luxury homes listed at \$180,000.

Council members discussed the Trinity area and the need for upscale development that would accommodate professional that were willing to commute to their jobs, as well what the City had to offer and the fact that they did not want to downscale development.

There was discussion concerning the cost to the City if a project such as this were allowed. Mr. McNeill advised Council this analysis was completed with no new costs to be incurred by the City. It would be reallocating some of the costs that you have allocated to other projects.

Council members discussed whether this would be fair to the residents that voted for the bond projects and have been shown the location of the proposed projects. Council members also discussed the need to have some type of document that stipulated or specified what could be built.

There was discussion concerning the bond issue and funds for those projects. Manager Bailie and Mr. McNeill advised Council this was not a part of this request. Manager Bailie asked Mr. McNeill to discuss this proposed project with Council.

Mr. McNeill advised Council members this project was unique. The creek that the Lakewood Forest Pump Station is located on comes directly through this property. The creek at the Welborn Road Pump Station is located on comes through this property as well. One possibility for this property is to put a pump station on Morris Road, eliminate the 2 pump stations and forcemains (Lakewood Forest and Welborn Road) and do gravity sewer all the way through this

area. We have calculated the cost to make this work as well as the cost that would be outside their property and existing sewer and have compared this to the costs that the City would spend anyway.

Council members discussed how locating this at Morris Road and going a little further down would make it possible to take in some areas already located inside the city limits and provide sewer for them that otherwise would not be available for quite some time.

There was further discussion concerning the relocation of a pump station on Meadowbrook that would take in residents in that area. Mayor Andrews asked if a pump station were located on Meadowbrook would it take in the residents living along Meadowbrook and in that area. Mr. McNeill discussed the suggested relocation of the pump station on Meadowbrook. This is possible but I have not calculated the numbers to make this move. In answer to the Mayors question, branch lines off of this sewer line would serve some properties but not all properties.

The amount of expenses that we discussed earlier that is involved in the bond project is approximately 770,000 to install 2 pump stations. We calculated the cost to make the project discussed earlier at \$2,000,000. The City could contribute the \$770,000 that you were going to spend on the 2 pump stations toward the cost of the areas not located in the developer's property and inside of their property to upsize the line from their 8" line to a 12" line for gravity fed sewer. I presented one (1) other number so the developer could understand what it means to him. The infrastructure of an 8" line with no pump station would cost approximately \$600,000. We now take the project cost of \$2,000,000 and subtract \$600,000 (developer) and \$770,000 (city) and the remaining \$(600,000) is the developers extra investment to make this project work. This is a reasonable number in comparison to \$2,000,000.00 if the city is willing to dedicate the money they were going to spend in the other 2 pump stations. This is not extra money, just money that you have allocated to spend.

The developers are currently evaluating the cost per lot to develop. They did discuss plans to work with the county and create conversation easements and they plan to have walking trails as well as building ponds on the creek if allowed by the environmental division.

Council member Meredith asked Manager Bailie if the city had policies that dictated who paid for infrastructure.

Manager Bailie advised Council members there was no written policy. The City has operated under the procedures that if a developer wants the sewer they will pay for it. We need other policies as well and they can be worked out and developed as needed.

Mr. McNeill advised Council this project would open up a large area for service. It would open up the Red Fox Road area as well as the area located across from the Steeplegate Subdivision. It opens up a lot more area than the current location of one of the pump stations planned.

Mayor Andrews asked if the city chose to do this and the developer chose to do this and the changes were to be made would the City serve the same amount of residents that were already in the city as the property that is developed. Mr. McNeill advised Mayor Andrews and Council members that it would serve the areas already identified with the 2 pump stations plus the growing drainage area. This would give the city the ability to serve additional areas that are not currently in our projects.

Mr. McNeill and Council discussed the increased traffic that would be generated in this area. Mr. McNeill advised Council that the developer was currently talking with NCDOT concerning this issue.

There was further discussion concerning the stipulations that could be placed on developers concerning the type of development that the City would like to encourage as well as the disadvantage that would face the city if this property were developed under County standards.

Mr. McNeill advised Council members that with sewer infrastructure being installed in the City this would become a routine question and the question Council needed to address was their interest in annexation of properties outside the city limits.

Council member Labonte stated he felt that the City should not say no but that Council needed more information prior to commitments. We need to be able to discuss with the developer their interests and plans prior to any commitment.

Manager Bailie advised Council that she was not asking for a commitment but wanted to know what Council's feelings were concerning future development. Do you want to allow annexation in general to anyone who might ask or do you wish to be more selective.

Council members discussed their reasons for being selective when annexing areas not currently located in the City. They discussed their feelings concerning those who had not been annexed when the city was formed and the fact that they had not paid taxes during the growing years but now want to be annexed since sewer service may be available.

They also discussed how this development would affect the school system and increase traffic on the roads.

There was further discussion concerning what if any cost there would be to the City and Council's decision that no money be taken from sewer projects that had already been committed for city funding through bonds. Mr. McNeill advised Council the \$770,000 committed in the bond projects for pump stations and forcemains as discussed earlier would not need to be spent if this project happens. Do you want to contribute that money towards this project or not.

Council member Bridges asked how this could be done since this money was Rural Development Funds as well. Mr. McNeill advised Council that their local share would be decreased by the \$770,000.00. Council asked if this would lengthen the project. Mr. McNeill advised Council that bids would go forward and include the Phase 2 Pump Station. If this works out they would have to get their project together in order to eliminate the Phase 2 Pump Station before it needed to be constructed. The City must also ask Rural Development how they would feel about the changes and if the changes would effect the funding of the project.

There was further discussion between Council members, Mr. McNeill, and Manager Bailie concerning how this could be beneficial. Unlike the school where we could be paying \$43,000.00 and not really seeing an immediate benefit, by eliminating the 2 pump stations and moving the pump station down we would be able to serve more of the property within the City Limits.

After further discussion Manager Bailie advised Mayor and Council members that she and Attorney Wilhoit would work on controls that may be available to the City in establishing guidelines for development standards.

Council member Labonte discussed the need for the City to realize their limitations. Manager Bailie advised Council that was why the city needed a good customer base. Mr. McNeill discussed the financial information done by him and Manager Bailie. These financials were based on customer growth and indicates the City needs 1,500 new customers in addition to the homes currently located in the city.

ITEM 3. Economic Develop (Closed Session)pursuant to NCGS 143-318.11 (4) to discuss matters relating to the expansion of a business.

Mayor Andrews called for a motion to go into Closed Session.

Motion by Council member Lambeth to go into Closed Session pursuant to NCGS 143-318.11 (4) to discuss matters relating to the expansion of a business, seconded by Council member Talbert and approved unanimously by all Council members present.

At the conclusion of Closed Session, Mayor Andrews called for a motion to return to Open Session.

Motion by Council member Talbert to return to Open Session, seconded by Council member Brown and approved unanimously by all Council members present.

There was no action taken in Closed Session.

ITEM 4. ADJOURNMENT

With no other business to discuss, Mayor Andrews called for a motion to adjourn the February 27, 2006 Special Meeting of the Trinity City Council.

Motion to adjourn the February 27, 2006 Special Called Meeting by Council member Ewings, seconded by Council member Meredith, and approved unanimously by all Council members present.

These minutes were approved as written by the Trinity City Council at their March 21, 2006 Regular Meeting upon motion by Council member Bridges, seconded by Council member Ewings, and approved unanimously by all Council members present.

ORIGINAL